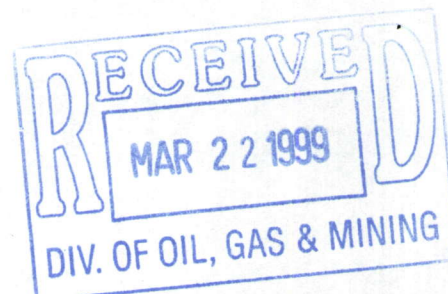


5/045/049

## Clifton Mining Company

### Plan Of Operations For The Cactus Mill Site



#### 1) Mining Claim Name And UMC Numbers:

Cactus Mill Site # 317839  
GHM-1 # 359375  
GHM-2 # 359376  
GHM-3 # 359377

(Please see exhibits A & B)

#### 2) Claimant, Operator, Agent Of The Mill Site:

Clifton Mining Company  
70 W. Canyon Crest Road, Suite D  
Alpine, Utah 840004  
801-756-1414

#### 3) Location And Access To The Mill Site:

- A. General description of location:  
Approximately 1/3 mile north and west of the townsite of Gold Hill. (See exhibit C)
- B. Legal Description:  
Section 1/4 S.E. of Section 35, Township 7 South, Range 18 West, Meridian SLC, in Tooele County.
- C. Estimated total acreage of the areas proposed for the milling activities:  
The current plan is to keep the milling activities to an area of 5 acres or less.  
Should activities necessitate expanding beyond that point, Clifton will promptly notify the BLM of the proposed changes.
- D. Estimated total acreage per year to be disturbed by the milling operation:  
Five acres or less.
- E. Describe the existing or proposed access to the operation site:  
All the needed access roads are already in place and have been since before 1925. (see exhibit D)
- F. What type of stakes or flagging have been used to outline the areas proposed for surface disturbance?  
None, almost the entire mill site area has already been disturbed by the past

milling operations that have continued off an on, on the site, since milling began on the property in about 1919. Clifton Mining Company has already begun to reclaim a portion of the mill property, that had been previously disturbed by a past mill tenant. The area currently being reclaimed is located on the west side of the property and consists of about 1.5 acres.

**G. Location Maps:**

1. Claim map showing UMC numbers etc. (See exhibit A)
2. Map showing buildings, roads, tailings etc. (See exhibit E)

**5) General Information:**

- A. Proposed starting date of the operation:**  
Although limited test work has been completed so far, actual operations are expected to begin after the 11th of October 1996.
- B. Estimated completion date of the operation:**  
Current minable reserves on the project are 331,148 tons of ore grade material. If no more reserves are outlined and production is maintained at 150 tons a day for 300 days a year, the project will last 7.35 years.
- C. What times of the year will the plant operate?**  
Barring any unforeseen circumstances, the operation is planned to run on a year-around basis at a rate of approximately 300 days per year.

**6) Public safety:**

- A.** In accordance with and at the request of the Tooele County personnel, and as they stated "because of people being naturally curious" Clifton Mining Co. was asked to fence and post its operations, so as to keep people out of harms way. Clifton Mining has conformed to this request.
- B.** MSHA personnel have also entered into and inspected the mill facility (on 8/13/96) looking for any potential hazards. The result of said inspection was that Clifton Mining Company was given a clean bill, as to its health and safety practices.
- C.** All of Cliftons mill personnel have also had the required first aid and safety training required by MSHA.

**7) Personnel:**

The number of people on the payroll, working in and around the mill site is approximately 13.

**8) Supporting facilities:**

- A.** The mill facilities consist of two mill buildings one old and one new, with one concentrate storage area and one lab trailer.
- B.** The sanitary facilities at the mill site consist of two bathroom areas, one in the new

mill building and another in the lab trailer. Both facilities were constructed in accordance with, and under the direction of the Tooele County Health Department. The required wastewater permits were obtained for each of the facilities. The permit numbers are 950090 and 950091. (see exhibits F & G)

9) Processing:

A. Tons to be processed:

The short and long term plans of Clifton Mining Company consist of the use of three processing plants. The first plant is the 150 tons-per-day facility located in the old mill building at the Gold Hill site. The plan is to use this facility until the underground mining has been developed to the point where the mining can sustain a five hundred tons-per-day processing plant. While the underground workings are being developed and the 150 tons-per-day mill is in operation, Clifton Mining Company will be continuing to work with the State Division of Water Quality and all other applicable government agencies to get final approval on the 500 tons-per-day processing plant. The larger plant will be located in the new mill building, adjacent to the old mill building, on the Cactus millsite claim. Once the new 500 tons-per-day mill is in operation, the 150 tons-per-day mill will be used as an ore test facility.

In the long term, when the mine workings are developed to the point where they can sustain a milling operation of 1000 to 2000 tons-a-day, Clifton Mining Co. is planning to construct a third mill, to be located in Clifton, adjacent to the mine, on patented mining claims located there. When this 1000 to 2000 tons-per-day plant begins operations, the 500 tons per day plant will be reclaimed and the equipment will be moved to Clifton. The 150 tons-per-day mill will be retained as is, for a test facility.

B. Mill process:

The mill process will remain essentially the same as it has been for the last 77 years. The ore will be crushed and ground and then put through a gravity separation system, where a saleable concentrate will be produced. The remaining minerals will then be extracted using a regular flotation process. The concentrates will then be sold "as is" to a smelter.

C. Chemicals to be used:

The only chemicals to be used in the system are flotation reagents. A full list of the reagents to be used was submitted to the Department of Water Quality on September 15, 1995. The Department of Water Quality has determined that these chemicals do not pose a threat to ground water. (See exhibit H)

D. Water:

Water for the mill comes from the Cane Springs, located approximately 1/4 mile south and west of the mill site (See exhibit C). The certified mill water right dates back to about 1936. The water is piped from the spring to the mill. The mill will use about 6000 gallons per hour, of which 4000 will be supplied from recycling water being pumped back from the tailings impoundment. There will be no water discharge into the surrounding environment. The method of water disposal will be by evaporation.

E. Reclamation:

Reclamation of un-used areas of previous milling disturbance, is currently underway. Portions have already been recontoured and are prepared for reseeded. The Department of Oil Gas and Mining personnel have asked that Clifton not reseed any of the areas of current reclamation until December of this year. Clifton will reclaim the areas pursuant to regulation 3809.1-1. (See exhibit E, area currently being reclaimed).

10. Mining:

The ore for the milling operation is currently being supplied from the Lost Treasure patented mining claim tunnel and also from the Herat Patented mine claim. The work is currently being accomplished under permit # E-045052. (See map of mine portal location, exhibit I).

Operator / Claimant Signature

*William D. Updell*  
*for Clifton Mining Co.*

Date

*9/23/96*

# NOTES

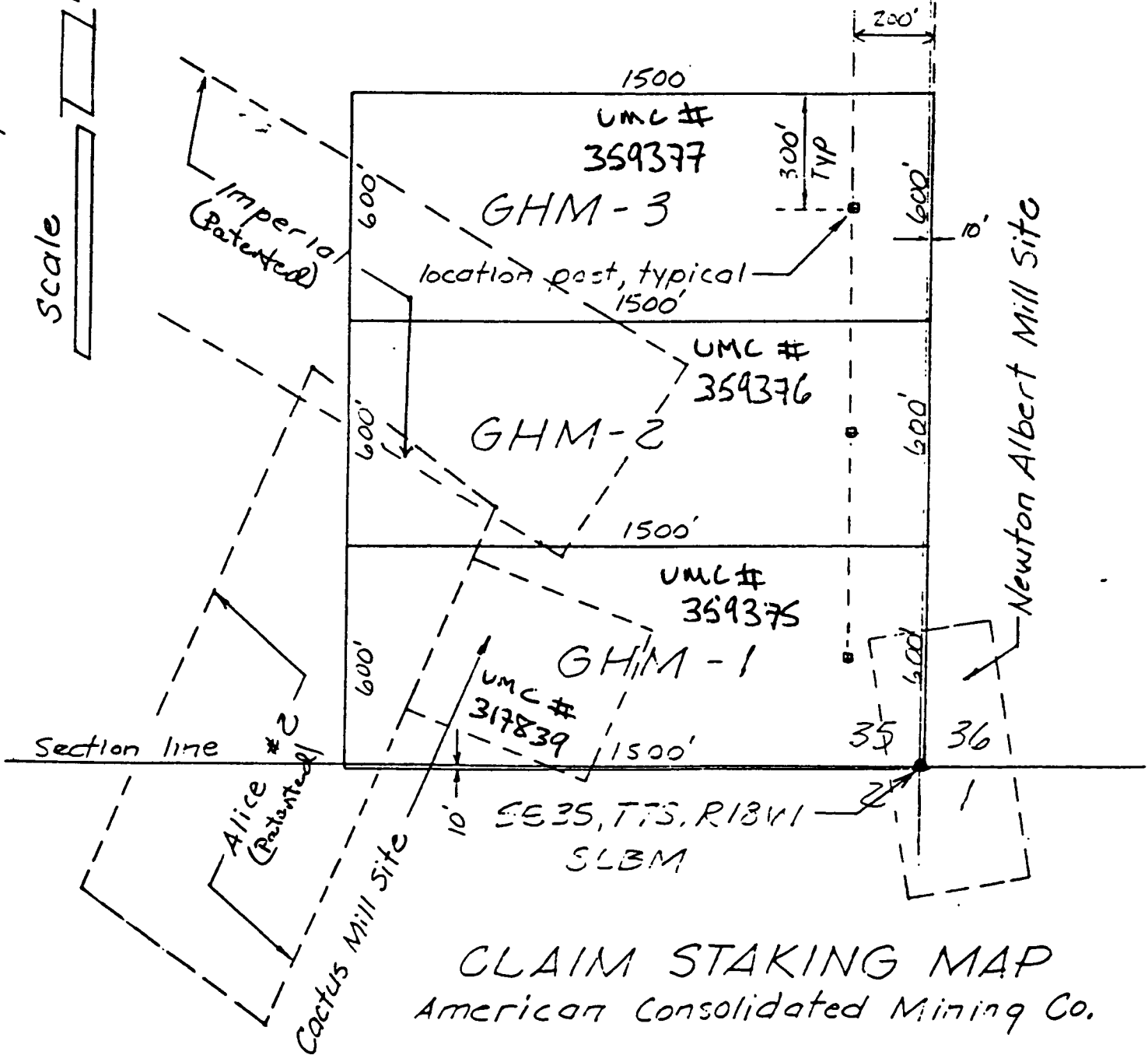
1. T-post with aluminum top set at claim corners.
2. T-post with "LOCATION NOTICE" set at each location on post.

A

1" = 400'

Scale

section line



CLAIM STAKING MAP  
American Consolidated Mining Co.

# RENTAL FEE ON CLAIMS

RECORD: 89778 BK 435 PG 0035 BY AT  
PAGE 2 OF 3 PAGES

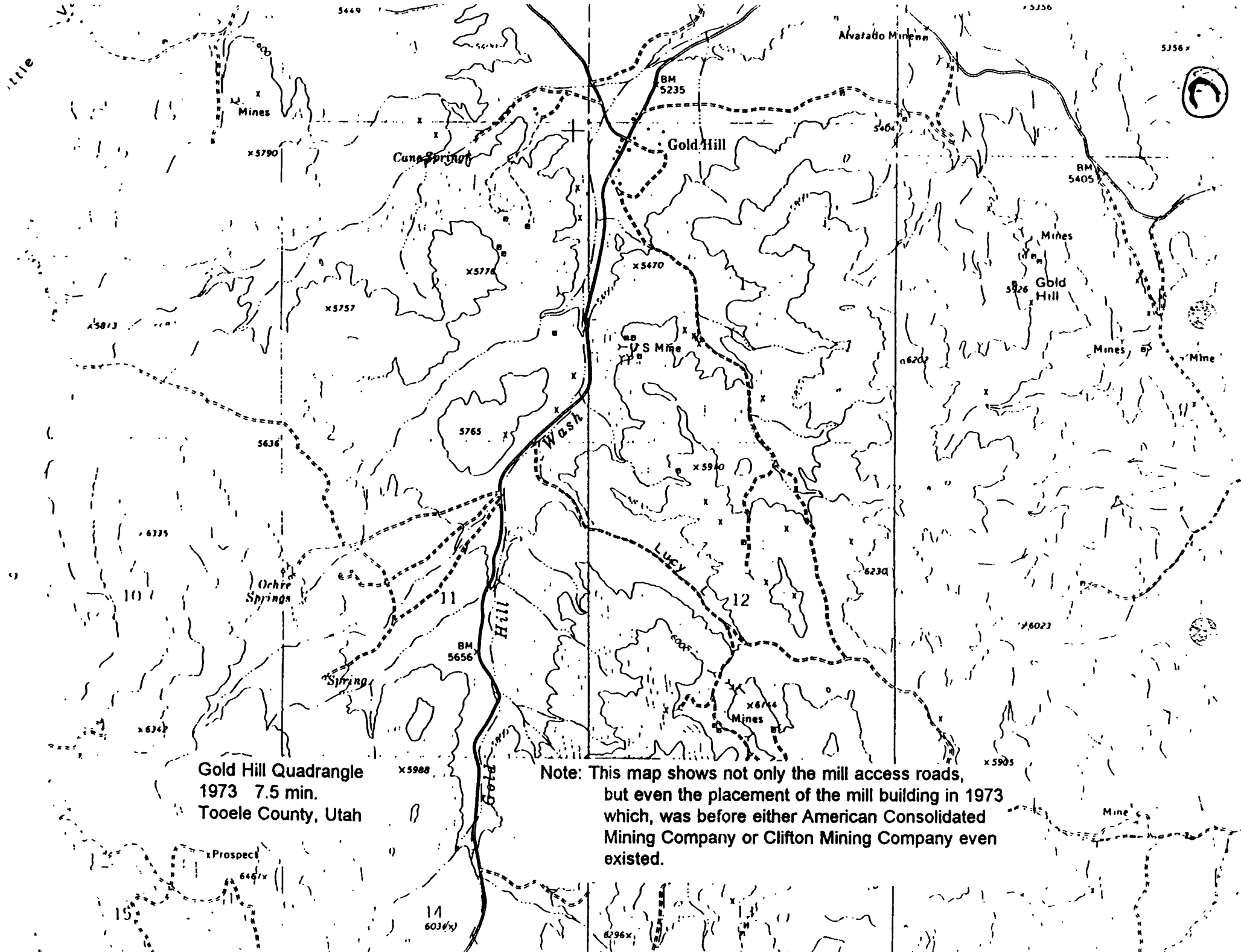
(B)

State of Utah )  
: ss.  
County of Utah )

Notice is hereby given that the rental fee of \$100 for each of the following mining claims, mill sites, or tunnel sites, for the assessment year beginning September 1, 1996 is being paid and filed. The following mining claims, mill sites, or tunnel sites are located in the Clifton Mining District, Tooele County, State of Utah, the Notices of Location are reported in the records of the Tooele County Recorder, to wit:

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Entry No.</u>	<u>UMC No.</u>
Clifton 21	280	214	022934	317864
Flat 330	280	223	022943	317892
Flat 329	280	224	022944	317891
Clifton 29	280	225	022945	317871
Clifton 30	280	226	022946	317872
Flat 330 A	304	588-589	034978	335443
Flat 323 A	304	587	034977	335442
Flat 314 A	304	586	034976	335441
Flat 309 A	304	585	034975	335440
Flat 502	398	250	075192	357130
Flat 504	398	251	075193	357131
CB - 1	398	252	075194	357125
CB - 2	398	253	075195	357126
CB - 3	398	254	075196	357127
CB - 5	398	255	075197	357128
CB - 6	398	256	075198	357129
CB - 7	398	811	075483	357672
CB - 8	398	810	075482	357673
Gail	280	239-240	022959	317837
Silver Throne	280	241-242	022960	317836
<u>Cactus Mill Site</u>	279	691	022679	317839
GHM - 1	412	573	080792	359375
GHM - 2	412	574	084793	359376
GHM - 3	412	575	080794	359377

UTAH STATE OFFICE  
RECEIVED  
ACCOUNTS UNIT  
96 AUG 29 PM 3:29  
DEPT OF INTERIOR  
BUREAU OF LAND MGMT



①

Wednesday 24

pool

U S L M NO 10  
6297

Canj'o

Wash - RUBE WINE

ALVARADO  
"Gold Hill"

**GOLD HILL MINE**

**Gold Hill**

US MINA

150

Lucky Day Knob

Clifton

22

میں نے اس کی طرف اشارہ کیا۔

...

جسٹس

...

1.

624 GC

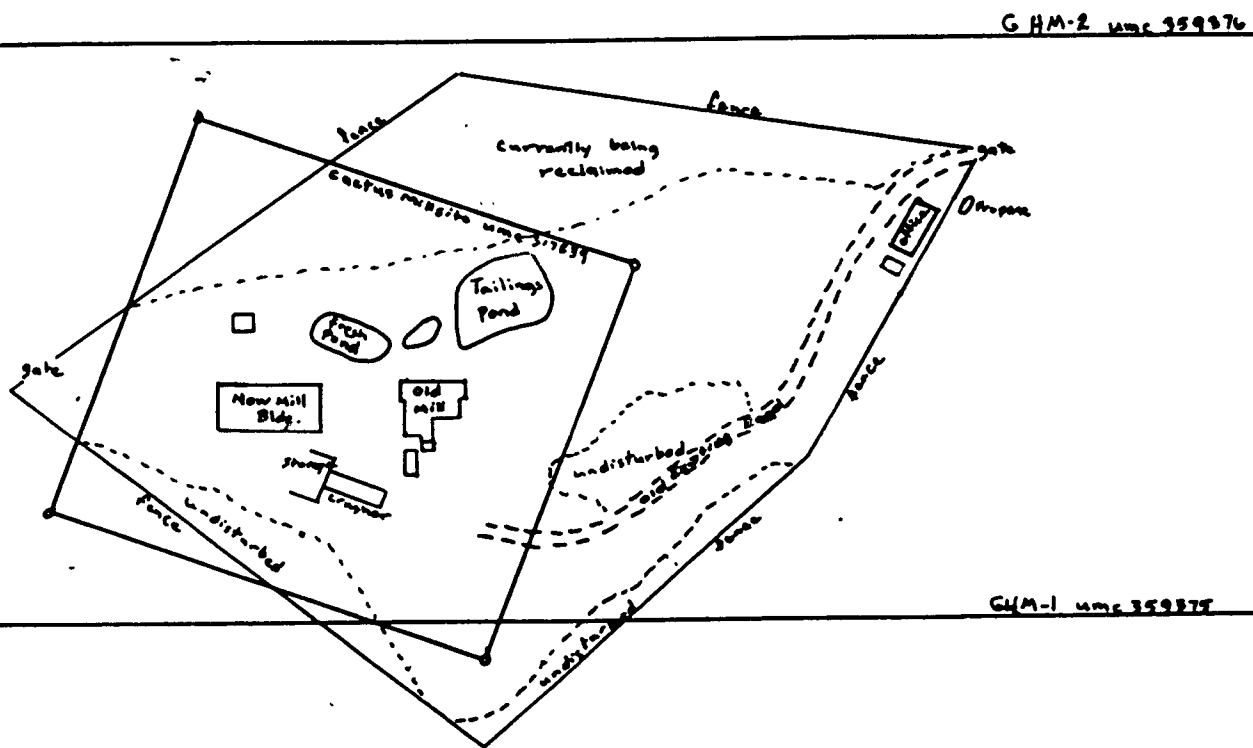
120 1.50:

1925

**Blood Min**



⑤



CLIFTON MINING COMPANY, INC

GOLD HILL MILL

TOOELE COUNTY HEALTH DEPARTMENT  
INDIVIDUAL WASTEWATER AND DRINKING WATER PERMIT

ADDRESS:

Gold Hill, UT

PROPERTY OWNER:

Clifton Mining Co.

LEGAL

DESCRIPTION:

IWWS\*

Community System

X Individual System

DRINKING WATER\*

X Community System

Private Well

Authorized Signature

Date of Issue: 12/14/95

Permit No.: 950090

\*On date of issue all requirements were met for IWWS and Drinking Water Source.

TOOELE COUNTY HEALTH DEPARTMENT  
INDIVIDUAL WASTEWATER AND DRINKING WATER PERMIT

ADDRESS:

Gold Hill, UT

PROPERTY OWNER:

Slifton Mining Co.

LEGAL

DESCRIPTION:

IWWS\*

Community System

X Individual System

DRINKING WATER\*

X Community System

Private Well

  
Authorized Signature

Date of Issue: 12/14/95

Permit No.: 950091

\*On date of issue all requirements were met for IWWS and Drinking Water Source.

4

## CLIFTON MINING COMPANY

70 West Canyon Crest Rd. Suite D, Alpine UT 84004  
Phone: (801) 756-1414 Fax: (801) 756-5454

September 15, 1995

Kiran L. Bhayani, P.E., D.EE., Manager  
STATE OF UTAH  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER QUALITY  
288 North 1460 West  
Salt Lake City, UT 84114-4870

Dear Mr. Bhayani:

As you already know, we are planning to modify our flotation mill located in Gold Hill, Utah, to process 500 tons per day. You have requested that we list the chemicals that will be used in the mill and the amount of those chemicals to be used. The information is to go to the Utah Water Quality Division.

As per your request, here is the chemical usage list information:

Sodium Sulfide	500 lbs/day
MIBC (Methyl Isobutyl Carbinol)	200 lbs/day
Dowfroth 250	50 lbs/day
Aerofloat 242	150 lbs/day
Aero 404	10 lbs/day
Aero 350	100 lbs/day

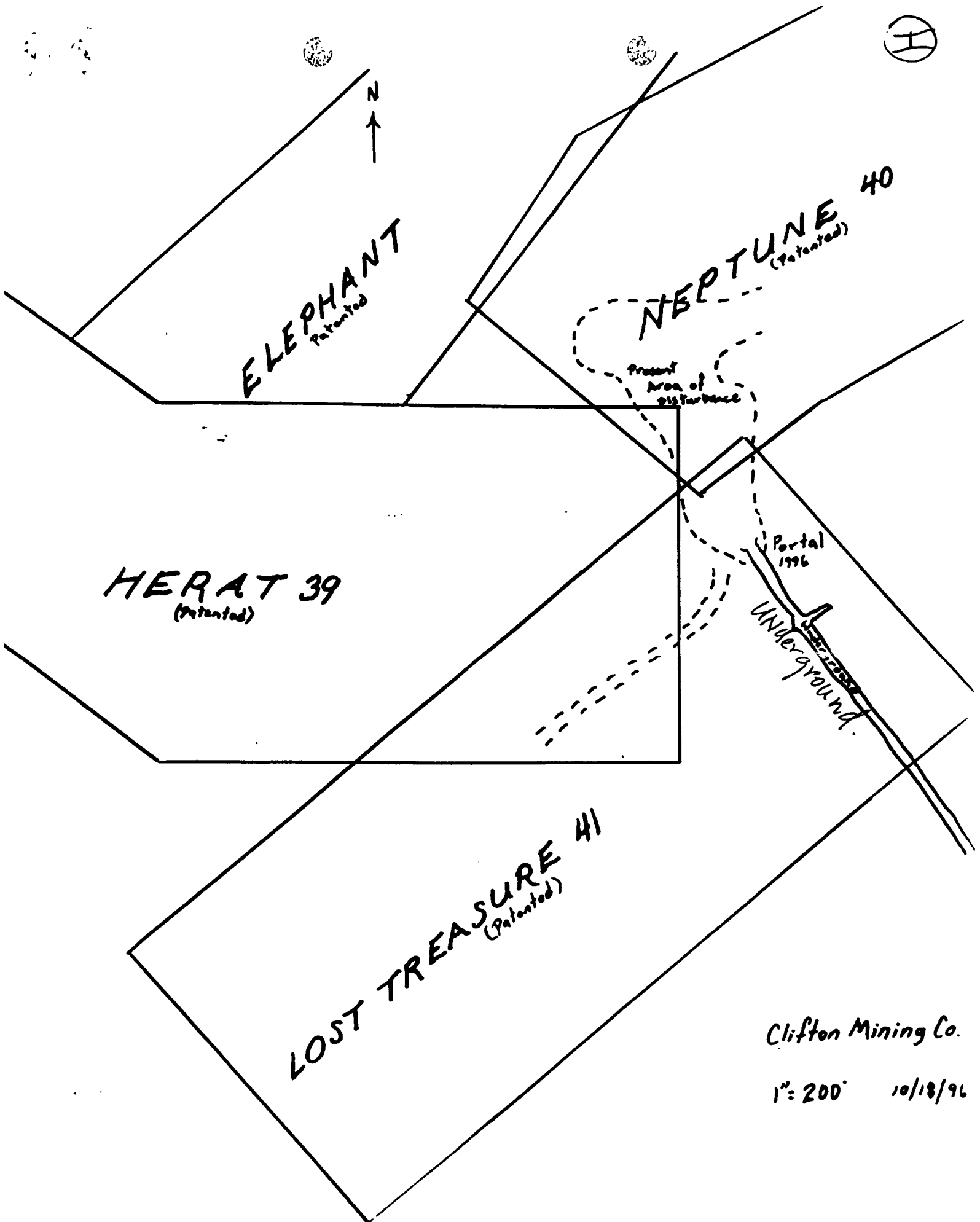
If you have any other questions please call us at our office (801) 756-1414.

Sincerely,



Keith W. Moeller, V.P. - Property Development

KWM:ss



Clifton Mining Co.

1" = 200' 10/18/96